



Los Angeles County  
Board of Supervisors

Gloria Molina  
First District

Mark Ridley-Thomas  
Second District

Zev Yaroslavsky  
Third District

Don Knabe  
Fourth District

Michael D. Antonovich  
Fifth District

Mitchell H. Katz, M.D.  
Director

Hal F. Yee, Jr., M.D., Ph.D.  
Chief Medical Officer

John F. Schunhoff, Ph.D.  
Chief Deputy Director

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*To ensure access to high-quality,  
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health care to Los Angeles County  
residents through direct services at  
DHS facilities and through  
collaboration with community and  
university partners.*



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July 25, 2011

TO: Supervisor Michael D. Antonovich, Mayor  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe

FROM: Mitchell H. Katz, M.D.  
Director

SUBJECT: **NOTIFICATION OF CORRECT TERMINATION  
PROVISION OF AN HIV/AIDS DRUGS AND  
PHARMACY REIMBURSEMENT AGREEMENT WITH  
RAMSELL SOLUTIONS, LLC**

This is to advise your Board of the correct termination provision of the reimbursement Agreement with Ramsell Solutions, LLC (Ramsell) for HIV/AIDS drugs and pharmacy services for eligible County patients in the Department of Health Services (DHS) and the Sheriff's Department. Your Board initially approved the Agreement on February 3, 2009 (attached) and authorized the Director of Health Services (Director) to execute the Agreement for the period July 1, 2008 through June 30, 2011 at no Net County Cost, and further authorized the Director to execute future reimbursement Agreements.

Ramsell is the sole fiscal intermediary for the State of California Department of Health Services' (CDHS) AIDS Drug Assistance Program (ADAP), and has performed in that role since 1998. The County is obligated to contract with Ramsell as the State approved fiscal intermediary, and the current Agreement is the standard for all participants in the CDHS ADAP reimbursement program, is negotiated by the State, and as such does not include the County's required provisions.

Recently, during DHS' review process, DHS discovered that the Board Letter approved by your Board in February 2009 was incorrect. Although the Board Letter stated that the Agreement ended June 30, 2011, the Agreement as negotiated by the State is to remain in effect indefinitely, unless terminated by either Ramsell or the County, with or without cause, by giving the other party at least thirty (30) days advance written notice.

If you have any questions or require additional information, please let me know.

MHK:rf

Attachment

c: Chief Executive Office  
County Counsel  
Executive Office, Board of Supervisors

High Desert Health System, LAC+USC Healthcare Network, Martin Luther King, Jr. Multi-Service Ambulatory Care Center, Olive View/UCLA Medical Center, Rancho Los Amigos National Rehabilitation Center and Hubert H. Humphrey Comprehensive Health Center, effective March 1, 2009 through February 28, 2014, with provisions to extend the agreement term for up to two additional one-year periods and month-to-month extensions for up to six month; authorize the Interim Director to exercise the two additional one-year extension options, through February 28, 2016, and the six month-to-month extension options, through August 31, 2016; authorize the Interim Director to amend the agreement to add or delete Department of Health Services' facilities; and to execute agreements with new qualified vendors under the Master agreement who have been identified and selected through a qualification process, during the term of the agreement. **(Department of Health Services)** (09-0161)

**Attachments:**    See Supporting Document

**On motion of Supervisor Molina, seconded by Supervisor Yaroslavsky, this item was approved.**

**Ayes:**    4 -    Supervisor Knabe, Supervisor Molina, Supervisor Yaroslavsky and Supervisor Antonovich

**Absent:**    1 -    Supervisor Ridley-Thomas

29.    Recommendation: Authorize the Interim Director of Health Services, to execute agreement with Ramsell Pharmacy Solutions, LLC for reimbursement for the provision of HIV/AIDS drugs and pharmacy services dispensed in Department of Health Services and the Sheriff's pharmacies to County patients eligible for the California Department of Health Services AIDS Drug Assistance Program, effective July 1, 2008 through June 30, 2011, at no Net County Cost; and authorize the Interim Director to execute future reimbursement agreements. **(Department of Health Services)** (09-0164)

**Attachments:**    See Supporting Document

**On motion of Supervisor Molina, seconded by Supervisor Yaroslavsky, this item was approved.**

**Ayes:**    4 -    Supervisor Molina, Supervisor Antonovich, Supervisor Yaroslavsky and Supervisor Knabe

**Absent:**    1 -    Supervisor Ridley-Thomas

30.    Recommendation: Approve the Mental Health Services Act (MHSA) Information Technology (IT) Plan in the amount of \$69,779,360 for submission to the California Department of Mental Health (CDMH); authorize the Director of Mental Health to make modifications to the Plan in response to comments





**Health Services**  
LOS ANGELES COUNTY

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Interim Director

**Robert G. Splawn, M.D.**  
Interim Chief Medical Officer

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through leadership,  
service and education*



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February 3, 2009

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AN HIV/AIDS PHARMACY SERVICES  
REIMBURSEMENT AGREEMENT  
(ALL SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

**SUBJECT**

Approval of an Agreement to reimburse the Department of Health Services (DHS) and the Sheriff's Department for HIV/AIDS drugs and pharmacy services provided to eligible County patients.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Authorize the Interim Director of Health Services, or his designee, to execute an Agreement with Ramsell Pharmacy Solutions, LLC (Ramsell) for reimbursement for the provision of HIV/AIDS drugs and pharmacy services dispensed in DHS and the Sheriff's pharmacies to County patients eligible for the California Department of Health Services AIDS Drug Assistance Program (ADAP), effective July 1, 2008 through June 30, 2011, at no net County cost.
2. Delegate authority to the Interim Director of Health Services, or his designee, to execute future reimbursement agreements, on condition that future agreements are substantially similar to the recommended agreement, following the review and approval of County Counsel and the Chief Executive Officer, with notification to your Board.

**PURPOSE/JUSTIFICATION OF THE RECOMMENDATION ACTIONS**

Approval of the first recommended action will enable DHS to enter into an Agreement, substantially similar to Exhibit I, to allow DHS and the Sheriff's Department to continue to obtain reimbursement for HIV/AIDS drugs and pharmacy services provided to County patients eligible for the

California Department of Health Services' (CDHS) ADAP. Ramsell is the CDHS fiscal intermediary for the ADAP program. The most recent agreement between the County and Ramsell expired June 30, 2008, which was concurrent with the expiration date of the agreement between CDHS and Ramsell. Approval of the CDHS successor agreement with Ramsell was delayed due to the late approval of the California State budget.

As a result, presentation of agreements to program participants was also delayed and the recommended reimbursement Agreement was not submitted for your Board's approval in a timely manner.

Approval of the second recommended action will enable DHS to more expediently execute future reimbursement Agreements, also substantially similar to Exhibit I, subject to review and approval by County Counsel and the Chief Executive Office, with notification to your Board.

#### Implementation of Strategic Plan Goals

These actions support Goal 7, Health and Mental Health, of the County's Strategic Plan.

#### FISCAL IMPACT/FINANCING

There is no net County cost associated with these actions. This Agreement provides for reimbursement to County pharmacies for dispensing prescription items to eligible HIV/AIDS patients in accordance with CDHS' ADAP approved formulary. In Fiscal Year (FY) 2007-08, DHS received \$6.199 million and the Sheriff's Department received \$2.945 million in reimbursement under the Agreement. Revenue is budgeted in both departments' FY 2008-09 Final Budget and will be included in future fiscal years.

DHS' FY 2008-09 Final Budget includes \$5.181 million in ADAP revenue and this is consistent with the FY 2008-09 full-year estimate.

#### FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On July 1, 1997, CDHS/Office of AIDS centralized its reimbursement and data functions for ADAP and entered into a statewide Agreement with Ramsell (formerly PMDC) as the fiscal intermediary for CDHS in an effort to: 1) reduce drug costs; 2) expand statewide access for patients to get their ADAP prescriptions filled at local pharmacies; 3) provide confidential mail order pharmacy services, particularly to patients in remote locations, during times of limited mobility, or in areas where ADAP services would not otherwise be available; and 4) contract with local health

jurisdictions to accommodate the special needs associated with the delivery of ADAP services, including the provision of services to incarcerated populations. Since 1998, your Board has approved Agreements for State reimbursement for ADAP services. DHS and Sheriff's facilities will continue to be electronically linked to Ramsell's pharmacy network and Ramsell will continue to reimburse County pharmacies for items dispensed in ADAP's approved formulary.

The recommended reimbursement Agreement is Ramsell's standard agreement for all participants in the CDHS ADAP reimbursement program and as such does not include the County's required provisions.

County Counsel has approved Exhibit I as to form.

#### **CONTRACTING PROCESS**

The County uses the CDHS selected contractor for reimbursement of ADAP drugs and pharmacy services, therefore the County's contracting process is not applicable.

#### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of the recommendations will allow DHS and the Sheriff's Department to continue to receive reimbursement for the distribution of prescription HIV/AIDS drugs and pharmacy services to eligible County patients.

#### **CONCLUSION**

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,



John F. Schunhoff, Ph.D.  
Interim Director

JFS:rf

Attachment

c: Chief Executive Officer  
County Counsel  
Executive Officer, Board of Supervisors  
Sheriff's Department

Pharmacy Ramsell BL